Exhibit B

1   IN THE UNITED STATES DISTRICT COURT

2   NORTHERN DISTRICT OF CALIFORNIA

3

4   IN RE: TFT-LCD (FLAT PANEL)   )
    ANTITRUST LITIGATION   )
5   _____)
)   Case No.
6   THIS DOCUMENT RELATES TO:)   M-07-1827-SI
)
7   ALL ACTIONS   )
    _____)

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12   VOLUME I

13   *** HIGHLY CONFIDENTIAL TRANSCRIPT ***

14   *** ATTORNEYS' EYES ONLY ***

15   VIDEOTAPED DEPOSITION OF

16   DR. JAMES A. LEVINSOHN

17   MONDAY, APRIL 16, 2012

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    REPORTED BY: RACHEL F. GARD, CSR, RPR, CLR
25   CSR No. 084-003324

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1   THE VIDEOGRAPHER: We are now on the record in

2   the matter of In Re: TFT-LCD (Flat Panel)

3   Antitrust Litigation in the U.S. District Court,

4   Northern District of California, San Francisco

5   Division, Master File Number M07-1827-SI,

6   MDL No. 1827.

7   Today's date is April 16th, 2012, and the

8   time is 8:59 a.m. This is the video recorded

9   deposition of Dr. James Levinsohn.

10   My name is Matt Seiler here on behalf of

11   Barkley Court Reporters, and the court reporter

12   today is Rachel Gard from Barkley.

13   The court reporter has noted the

14   attorneys' appearances for the record.

15   Please administer the oath.

16   (Witness sworn.)

17   WHEREUPON:

18   DR. JAMES A. LEVINSOHN,

19   called as a witness herein, having been first duly

20   sworn, was examined and testified as follows:

21   EXAMINATION

22   BY MR. SILBERFELD:

23   Q.   Doctor, good morning.

24   A.   Good morning.

25   Q.   My name is Roman Silberfeld. Together

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1   The caption on some of the other ones, they ran

2   names until maybe they ran out of space.

3   Q.   Who pays your bills?

4   A.   I'm directly -- I get a check from Analysis

5   Group. And they're paid by, I assume, the defense

6   group, but I don't know the details of that.

7   Q.   If you could please turn to Page 3 of your

8   report under Subsection C, Assignment, and

9   specifically Paragraph 7 says: A major focus of

10 expert work in this matter is to evaluate whether

11 and to what extent alleged overcharges of panels

12 were passed on to the plaintiffs and whether the

13 plaintiffs in turn passed on any such overcharges to

14 their downstream customers.

15   Did you analyze whether overcharges on

16 panels were passed on to Dell in this case?

17   A.   I did not conduct any econometric

18 investigation of that.

19   Q.   Did you conduct any investigation into the

20 extent of overcharges passed on to Dell in this

21 case?

22   A.   No. That's really an issue of

23 implementation. And as I discussed earlier this

24 morning, my job has been to talk through the

25 economics of pass-on and what that says about the

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1 econometrics but not to then go the next step and

2 actually estimate it.

3   Q.   If you would please turn over to Page 5,

4 and the top bullet point on Page 5 notes that as a

5 matter of economic theory, the rate of pass-on can

6 range from zero to over 100 percent. Is it correct

7 that the pass-through in this case could be

8 100 percent?

9   MR. BENSON: Objection to form. Incomplete

10 reading of the sentence and asked and answered.

11 BY THE WITNESS:

12   A.   So are you asking is it possible?

13   Q.   Yes, sir.

14   A.   Yes, it is possible.

15   Q.   And that would ultimately be an empirical

16 issue?

17   A.   I think it is fundamentally an empirical

18 issue, and that's why it's important to get it right

19 when you estimate it.

20   Q.   You're not offering opinions one way or

21 another in this case about whether there was a

22 hundred percent pass-on to Dell by Samsung or LG,

23 are you, sir?

24   A.   I am not.

25   Q.   You've not attempted to calculate the

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 1    percentage amount of overcharge to Dell of pass-on

 2    to Dell?

 3          A.    I have not.

 4          Q.    And you've not attempted to calculate the

 5    dollar amount of pass-on to Dell; is that correct?

 6          A.    That's correct.  That was not part of my

 7    assignment.

 8          Q.    And so you have no basis to conclude that

 9    Dell was not overcharged for monitors containing LCD

10    panels in the amount of approximately $360 million?

11          MR. BENSON:  Objection to form.

12    BY THE WITNESS:

13          A.    I do not have an opinion on overcharges.

14          Q.    The second bullet point on Page 5 says:

15    An econometric approach designed to estimate the

16    rate of pass-on by regressing price on cost that

17    does not control for product quality and product

18    life cycle effects can be expected to result in an

19    estimate of pass-on that is biased upward if certain

20    conditions are met.

21              This is based on economic theory, correct?

22          MR. BENSON:  Objection.  I'm sorry.  Objection

23    to form.  You didn't read the complete sentence.

24    And I think it's unclear to the question where your

25    reading of the sentence ends and where your question
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1   progress towards that.

2   But when I really think hard about it, I

3   think incomplete is pretty generous.

4   Q.   Did you perform any analysis to determine

5   whether if Dr. Rao had controlled for these

6   so-called life cycle effects, it would have impacted

7   his pass-on calculation?

8   A.   No, I did not do that. That was beyond my

9   assignment.

10   Q.   And you did not calculate the magnitude of

11   any upward bias as a result of his failure to

12   account for life cycle effects?

13   MR. BENSON: Objection to form. Asked and

14   answered.

15   BY THE WITNESS:

16   A.   Yeah, I think that's the same as the last

17   question, which is, it really wasn't my assignment

18   to estimate this.

19   Q.   If you could please turn back to Page 19.

20   A.   Well, we're going in the wrong direction

21   now.

22   Q.   Don't worry. We're still moving ahead.

23   A.   Of course.

24   Q.   You set forth this Equation 6, which

25   properly controls for product quality and life

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1 to consider here.

2   Q.   What are the purpose of the theta I's in

3 this equation?

4   A.   The theta I's captures the life cycle

5 effects. So it's a linear, in this case a linear

6 life cycle effect, and it varies in Equation 6 by

7 product.

8   Q.   And as I understood, if Dr. Rao added a

9 constant term, he would also need to drop one of the

10 theta I's in Equation 6?

11   A.   That's true. If he had a constant term,

12 that would be equivalent to including a life cycle

13 effect and imposing that that life cycle effect is

14 common across products given the data constraints

15 that he may have faced. That would certainly be an

16 improvement. That sounds like a pretty good way to

17 go. But if you do that, then you drop the theta I.

18   Q.   Okay. And if you did that, would his

19 accounting for life cycle effects then be complete?

20   A.   So I think if you do that, you'd get rid of

21 your delta Xs because they're sort of superfluous.

22 You'd want to be careful and start to get into

23 issues around implementation.

24   But in terms of the specification, he also

25 has a lag, okay, and that again is an issue around

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1   implementation. But the broad idea if he had -- if

2   he was regressing a change in price appropriately, a

3   change in price on a change in cost, maybe it should

4   be contemporaneous, maybe lagged, I don't know as I

5   sit here, and you had a constant term, that would

6   look pretty good to me.

7   Q.   When estimating pass-through rate applied

8   to damages in this case, what time period of data

9   should be used?

10   MR. BENSON: Objection to form. Incomplete

11   hypothetical.

12   BY THE WITNESS:

13   A.   So that's really a question of

14   implementation. And I'm talking through how one

15   estimates, what equation one would use, and I've

16   stayed clear of issues around what the right data

17   set is. Yeah, it goes beyond my assignment.

18   Q.   When calculating pass-through, would you

19   generally use the same time period that you used to

20   calculate damages?

21   MR. BENSON: Objection. Beyond the scope.

22   Incomplete hypothetical.

23   BY THE WITNESS:

24   A.   Yeah, I just haven't thought about it.

25   Q.   And you don't have an opinion one way or

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